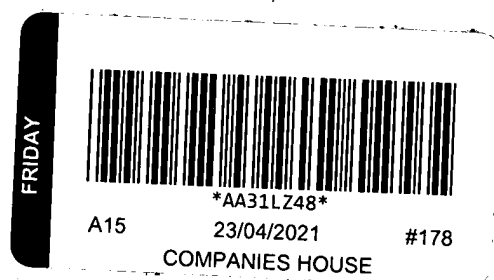


Registered number: 11853592

SAFE TOPCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



SAFE TOPCO LIMITED

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SAFE TOPCO LIMITED

COMPANY INFORMATION

Directors

O J Bevan
N A Leader
A J Phillips
G M Wood CBE

Registered number

11853592

Registered office

Integra House 1 Vaughan Court
Coedkernew
Newport
NP10 8BD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

SAFE TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited consolidated financial statements of Safe Topco Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2020.

Results and dividends

The loss for the financial year amounted to £5,498,444 (2019: 10 month period ended £3,430,049).

The directors do not recommend the payment of a dividend (2019: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

O J Bevan
N A Leader
A J Phillips
G M Wood CBE

Going concern

On 1 January 2020, in preparation for Brexit, all non-UK contracts were transferred to Acquis InsuranceManagement B.V., a Netherlands based sister company.

The directors have prepared projected profit and loss accounts and cash flow information for the period to December 2023 that take into account the expected impacts of Covid-19. They also model the Group's compliance with the covenants currently agreed with its bankers. These indicate an appropriate level of headroom and the ability of the Group to continue to trade within its available facilities for the foreseeable future. Accordingly, they continue to adopt the going concern basis of preparation in these financial statements.

COVID-19

The UK economy was subjected to three nationwide lockdowns during 2020. Each of which reduced economic output and depressed leasing volumes. Many other European countries enforced similar restrictions upon their citizens and all markets in which we operate have suffered from a reduction in size during the year – the UK leasing market has shrunk by 30% year-on-year. Despite the significant disruption caused to Europe's economies, and a reduction in the Group's profits versus 2019, 2020 was a successful year for Acquis. The Group increased its cash reserves, retained all of its customers and onboarded a record 17 new insurance programmes in 7 countries during the year. We have also increased headcount from 50 to 61 in order to prepare the business for expansion over the coming years.

As we enter 2021, we are confident that our strong sales pipeline and the economic recovery that is expected over the next 12-18 months will combine to deliver strong growth for the business during 2021. We are also confident that we are sufficiently reserved, both in terms of the provision held on the balance sheet as well as cash reserves, to overcome the expected increase in cancellations once government funding comes to an end during 2021.

SAFE TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

SAFE TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board and signed on its behalf by:

Nick Leader

N A Leader
Director

Date: Apr 23 2021

SAFE TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFE TOPCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Safe Topco Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's loss and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheet as at 31 December 2020; the Consolidated Statement of Comprehensive Income and Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

SAFE TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFE TOPCO LIMITED (CONTINUED)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory compliance matters, including conduct of business, employment regulation and UK tax law together with, in relation to the Company's subsidiary Safe Midco Limited, the Listing Rules of the International Stock Exchange, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions to overstate the performance or cash position of the Group that would impact on the compliance with the Group's banking covenants. Audit procedures performed included:

- Holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Review of correspondence with and reports to the Group's regulators, including the Financial Conduct Authority ('FCA') and the Netherlands Authority of Financial Markets ('AFM');
- Identifying and testing the validity of journal entries which exhibit higher fraud risks;
- Challenging assumptions made by management in its significant accounting estimates, in particular the cancellation provision and carrying value of goodwill;
- Obtaining third party confirmations of all the Group's banking arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

SAFE TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFE TOPCO LIMITED (CONTINUED)

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

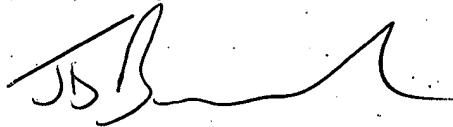
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

Date: 23 April 2021

SAFE TOPCO LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
	Note		
Turnover	4	7,070,846	4,235,091
Cost of sales		(87,891)	(89,196)
Gross profit		6,982,955	4,145,895
Administrative expenses		(9,421,923)	(5,766,547)
Operating loss	5	(2,438,968)	(1,620,652)
Interest payable and similar expenses	9	(2,826,142)	(1,609,810)
Loss before taxation		(5,265,110)	(3,230,462)
Tax on loss	10	(233,334)	(199,587)
Loss for the financial year/period		(5,498,444)	(3,430,049)
Currency translation differences		(6,167)	(5,037)
Other comprehensive expense for the financial year/period		(6,167)	(5,037)
Total comprehensive expense for the financial year/period		(5,504,611)	(3,435,086)
Loss for the financial year/period attributable to:			
Owners of the parent Company		(5,498,444)	(3,430,049)

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED
REGISTERED NUMBER: 11853592

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	18,045,801	23,296,211
Tangible assets	12	237,030	102,127
		<u>18,282,831</u>	<u>23,398,338</u>
Current assets			
Debtors	14	8,795,376	7,915,021
Cash at bank and in hand	15	5,779,003	4,730,125
		<u>14,574,379</u>	<u>12,645,146</u>
Creditors: amounts falling due within one year	16	(3,537,326)	(3,592,020)
Net current assets		<u>11,037,053</u>	<u>9,053,126</u>
Total assets less current liabilities		<u>29,319,884</u>	<u>32,451,464</u>
Creditors: amounts falling due after more than one year	17	(34,636,482)	(32,854,885)
Provisions for liabilities			
Deferred taxation	19		(7,904)
Other provisions	20	(3,526,239)	(2,927,901)
Net liabilities		<u>(8,842,837)</u>	<u>(3,339,226)</u>
Capital and reserves			
Called up share capital	21	96,860	95,860
Foreign exchange reserve	22	(11,204)	(5,037)
Profit and loss account	22	(8,928,493)	(3,430,049)
Total shareholders' deficit		<u>(8,842,837)</u>	<u>(3,339,226)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Nick Leader

N A Leader
 Director

Date: Apr 23 2021

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED
REGISTERED NUMBER: 11853592

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	62,657	62,657
Current assets			
Debtors	14	38,604	34,760
Creditors: amounts falling due within one year	16	(54,961)	(37,560)
Net current liabilities		(16,357)	(2,800)
Total assets less current liabilities		46,300	59,857
Capital and reserves			
Called up share capital	21	96,860	95,860
Profit and loss account brought forward		(36,003)	-
Loss for the financial year/period		(14,557)	(36,003)
Profit and loss account carried forward		(50,560)	(36,003)
Total shareholders' funds		46,300	59,857

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Nick Leader

N A Leader
 Director

Date: Apr 23 2021

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total shareholders' deficit £
On incorporation	-	-	-	-
Comprehensive expense for the financial period				
Loss for the financial period	-	-	(3,430,049)	(3,430,049)
Currency translation differences	-	(5,037)	-	(5,037)
Other comprehensive expense for the financial period	-	(5,037)	-	(5,037)
Total comprehensive expense for the financial period	-	(5,037)	(3,430,049)	(3,435,086)
Shares issued during the financial period	95,860	-	-	95,860
Total transactions with owners	95,860	-	-	95,860
At 31 December 2019 and 1 January 2020	95,860	(5,037)	(3,430,049)	(3,339,226)
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(5,498,444)	(5,498,444)
Currency translation differences	-	(6,167)	-	(6,167)
Other comprehensive expense for the financial year	-	(6,167)	-	(6,167)
Total comprehensive expense for the financial year	-	(6,167)	(5,498,444)	(5,504,611)
Contributions by and distributions to owners				
Shares issued during the financial year	1,000	-	-	1,000
Total transactions with owners	1,000	-	-	1,000
At 31 December 2020	96,860	(11,204)	(8,928,493)	(8,842,837)

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
On incorporation	-	-	-
Comprehensive expense for the financial period			
Loss for the financial period	-	(36,003)	(36,003)
Total comprehensive expense for the financial period	-	(36,003)	(36,003)
Contributions by and distributions to owners			
Shares issued during the financial period	95,860	-	95,860
Total transactions with owners	95,860	-	95,860
At 31 December 2019 and 1 January 2020	95,860	(36,003)	59,857
Comprehensive expense for the financial year			
Loss for the financial year	-	(14,557)	(14,557)
Total comprehensive expense for the financial year	-	(14,557)	(14,557)
Contributions by and distributions to owners			
Shares issued during the financial year	1,000	-	1,000
Total transactions with owners	1,000	-	1,000
At 31 December 2020	96,860	(50,560)	46,300

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Cash flows from operating activities		
Loss for the financial year/period	(5,498,444)	(3,430,049)
Adjustments for:		
Interest payable	2,519,109	1,410,078
Taxation charge	233,334	199,587
Amortisation of bank loan issue costs	307,033	199,732
Amortisation of intangible assets	5,277,164	3,076,858
Depreciation of tangible assets	54,464	26,439
Increase in debtors	(349,999)	(1,624,085)
Increase in provisions	598,338	-
Increase in creditors	380,326	640,072
Exchange difference on translation of foreign subsidiary	(6,167)	(5,037)
Corporation tax paid	(1,291,615)	(323,000)
Net cash generated from operating activities	2,223,543	170,595
Cash flows from investing activities		
Purchase of intangible fixed assets	(26,754)	-
Purchase of tangible assets	(189,366)	(41,171)
Purchase of subsidiary	-	(31,361,870)
Cash acquired with subsidiaries	-	4,944,251
Net cash used in investing activities	(216,120)	(26,458,790)
Cash flows from financing activities		
Issue of ordinary shares	-	63,157
Proceeds from bank loan	-	11,200,000
Repayment of bank loans	(510,000)	(255,000)
Issue of shares treated as debt	1,000	-
Proceeds from loans to related parties	-	22,203,306
Capitalisation of bank loan issue costs	(50,704)	(1,878,258)
Interest paid	(398,841)	(314,885)
Net cash (used in)/generated from financing activities	(958,545)	31,018,320
Net increase in cash and cash equivalents	1,048,878	4,730,125
Cash and cash equivalents at beginning of financial year/period	4,730,125	-
Cash and cash equivalents at the end of financial year/period	5,779,003	4,730,125

SAFE TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash and cash equivalents at the end of financial year/period comprise:		
Cash at bank and in hand	<u>5,779,003</u>	<u>4,730,125</u>

The notes on pages 15 to 31 form part of these financial statements.

SAFE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Safe Topco Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Integra House 1 Vaughan Court, Coedkernew, Newport, NP10 8BD.

The principal activity of the Company is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

On 1 January 2020, in preparation for Brexit, all non-UK contracts were transferred to Acquis InsuranceManagement B.V., a Netherlands based sister company.

The directors have prepared projected profit and loss accounts and cash flow information for the period to December 2023 that take into account the expected impacts of Covid-19. They also model the Group's compliance with the covenants currently agreed with its bankers. These indicate an appropriate level of headroom and the ability of the Group to continue to trade within its available facilities for the foreseeable future. Accordingly, they continue to adopt the going concern basis of preparation in these financial statements.

SAFE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover represents brokerage and administration fees and revenue is recognised as these services are performed by the Group. This includes an assessment of the proportion of administration fees which represents the upfront services on the initial set up on the lessor, as opposed to the ongoing administration.

Arrangements commonly exist such that a proportion of these fees are refundable by the Group if the underlying insurance agreement is cancelled. This element is deferred in the Balance Sheet through the creation of an appropriate provision at each year end with a corresponding adjustment to revenue. This provision is estimated based on historical trends, statistical analysis and includes consideration of the possible timing of future events.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

SAFE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 5 years.

2.11 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

SAFE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	- 10 years straight line
Fixtures and fittings	- 4 years straight line
Office equipment	- 4 years straight line
Software	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SAFE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****Judgements in applying accounting policies and key sources of estimation uncertainty**

3.

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Carrying value of goodwill

The Group holds goodwill of £18.0m (2019: £23.3m) at 31 December 2020. The appropriateness of this carrying value is dependent on the future forecast cashflows of the trading entity Acquis Insurance Management Limited. Similarly, the 5 year life over which the goodwill is being amortised is an estimate of its useful economic life.

Cancellation provision

The Group holds a provision of £3.5m (2019: £2.9m) at 31 December 2020 as an estimate of the level of administration fees received that will be refundable. The estimate is based on historical experience, however, for the current year end an additional provision has been held in reserve in anticipation of increased levels of cancellations during 2021 caused by Covid related business failures. With regards to this additional provision, a 10% change in the assumption used would result in a £46k movement in the provision.

4. **Turnover**

An analysis of turnover by class of business is as follows:

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Rendering of services	<u>7,070,846</u>	<u>4,235,091</u>

Analysis of turnover by country of destination:

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
United Kingdom	4,918,607	2,604,859
Rest of Europe	2,152,239	1,630,232
	<u>7,070,846</u>	<u>4,235,091</u>

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****5. Operating loss**

The operating loss is stated after charging:

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Depreciation of tangible assets	54,464	26,439
Amortisation of intangible assets including goodwill	5,277,164	3,076,858
Other operating lease rentals	136,480	66,327
	<u>5,468,108</u>	<u>3,169,624</u>

6. Auditors' remuneration

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Fees payable to the Group's auditors for the audit of the Group's annual financial statements (in respect of entity £12,450 (2019: £12,000))	46,950	45,000
Fees payable to the Group's auditors in respect of:		
Tax compliance (in respect of entity £6,000 (2019: £7,000))	35,310	20,600
Tax advice (in respect of entity £Nil (2019: £36,500))	8,340	41,500
Financial statements preparation (in respect of entity £4,200 (2019: £3,500))	10,320	8,600
	<u>53,970</u>	<u>70,700</u>

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £
Wages and salaries	2,557,200	1,202,285
Social security costs	208,672	109,658
Other pension costs	160,339	21,358
	<u>2,926,211</u>	<u>1,333,301</u>

The Company does not have any staff costs.

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 December 2020	10 months period ended 31 December 2019
	Number	Number
Employees (Company: 4 (2019: 4))	<u>55</u>	<u>43</u>

8. Directors' remuneration

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Aggregate directors' remuneration	398,025	160,742
Company contributions to defined contribution pension schemes	32,270	15,320
Amounts paid to third parties in respect of directors' services	211,483	118,794
	<u>641,778</u>	<u>294,856</u>

The highest paid director received remuneration of £277,104 (2019: £109,186).

Company contributions to defined contribution pension schemes in respect of highest paid director was £18,546 (2019: £10,792).

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9. Interest payable and similar expenses**

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Bank interest payable	704,147	433,390
Other loan interest payable	2,121,995	1,176,420
	<u>2,826,142</u>	<u>1,609,810</u>

10. Tax on loss

	Year ended 31 December 2020 £	10-months period ended 31 December 2019 £
Corporation tax		
Current tax on losses for the financial year/period	372,665	197,074
Adjustments in respect of prior years	(91)	-
Total current tax	<u>372,574</u>	<u>197,074</u>
Deferred tax		
Origination and reversal of timing differences	(140,170)	2,944
Effect of changes in tax rates	930	(310)
Adjustment in respect of prior periods	-	(121)
Total deferred tax	<u>(139,240)</u>	<u>2,513</u>
Total tax charge	<u>233,334</u>	<u>199,587</u>

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10. Tax on loss (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 31 December 2020 £	10 months period ended 31 December 2019 £
Loss before taxation	(5,265,110)	(3,230,462)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,000,371)	(613,788)
Effects of:		
Expenses not deductible for tax purposes	1,329,634	725,116
Tax rate changes	930	(309)
Adjustment in respect of prior years	(91)	(121)
Deferred tax movement not recognised	(96,768)	88,689
Total tax charge for the financial year/period	233,334	199,587

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. If it had been substantively enacted by the balance sheet date, it would not impact the tax expense for the period as deferred tax has not been recognised.

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11. Intangible assets****Group**

	Website £	Goodwill £	Total £
Cost			
At 1 January 2020	-	26,373,069	26,373,069
Additions	26,754	-	26,754
At 31 December 2020	<u>26,754</u>	<u>26,373,069</u>	<u>26,399,823</u>
Accumulated amortisation			
At 1 January 2020	-	3,076,858	3,076,858
Charge for the year	2,550	5,274,614	5,277,164
At 31 December 2020	<u>2,550</u>	<u>8,351,472</u>	<u>8,354,022</u>
Net book value			
At 31 December 2020	<u>24,204</u>	<u>18,021,597</u>	<u>18,045,801</u>
At 31 December 2019	<u>-</u>	<u>23,296,211</u>	<u>23,296,211</u>

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****12. Tangible assets****Group**

	Leasehold property £	Fixtures and fittings £	Office equipment £	Software £	Total £
Cost					
At 1 January 2020	20,923	25,546	194,141	161,741	402,351
Additions	12,644	31,555	84,400	60,725	189,324
Disposals	-	-	(987)	-	(987)
FX Revaluation	-	-	642	147	789
At 31 December 2020	33,567	57,101	278,196	222,613	591,477
Accumulated depreciation					
At 1 January 2020	10,811	20,970	133,276	135,167	300,224
Charge for the year	2,366	2,548	32,646	16,904	54,464
Disposals	-	-	(354)	-	(354)
FX Revaluation	-	1	83	29	113
At 31 December 2020	13,177	23,519	165,651	152,100	354,447
Net book value					
At 31 December 2020	20,390	33,582	112,545	70,513	237,030
At 31 December 2019	10,112	4,576	60,865	26,574	102,127

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****13. Investments****Company**

	Investments in subsidiary companies £
Cost	
At 1 January 2020	62,657
At 31 December 2020	62,657
Net book value	
At 31 December 2020	62,657
At 31 December 2019	62,657

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Safe Midco Limited*	Integra House 1 Vaughan Court, Coedkernew, Newport, NP10 8BD	Non-life insurance	Ordinary	100%
Safe Bidco Limited	Integra House 1 Vaughan Court, Coedkernew, Newport, NP10 8BD	Non-life insurance	Ordinary	100%
Acquis Insurance Management BV	Zekeringstraat 41 D, 1014 BV Amsterdam, Netherlands	Non-life insurance	Ordinary	100%
Acquis Insurance Management Limited	Integra House Vaughan Court, Celtic Springs Business Park, Newport, Gwent, NP10 8BD	Non-life insurance	Ordinary	100%
Acquis Holding Limited	Integra House, Vaughan Court, Newport, NP10 8BD	Non-life insurance	Ordinary	100%

*Denotes direct holding

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****14. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	308,226	117,041	-	-
Amounts owed by group undertakings	-	-	37,604	34,760
Other debtors	11,346	2,331,339	1,000	-
Corporation tax	399,021	-	-	-
Deferred taxation (note 19)	131,336	-	-	-
Prepayments and accrued income	7,945,447	5,466,641	-	-
	8,795,376	7,915,021	38,604	34,760

15. Cash at bank and in hand

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	5,779,003	4,730,125	-	-

16. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans and overdrafts	595,000	510,000	-	-
Trade creditors	80,091	30,671	-	-
Amounts owed to group undertakings	-	-	36,361	-
Corporation tax	-	520,020	-	-
Other taxation and social security	83,857	68,253	-	-
Accruals and deferred income	2,778,378	2,463,076	18,600	37,560
	3,537,326	3,592,020	54,961	37,560

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****17. Creditors: amounts falling due after more than one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans and overdrafts	9,208,030	9,548,428	-	-
Loans to related parties	25,428,452	23,306,457	-	-
	<u>34,636,482</u>	<u>32,854,885</u>	<u>-</u>	<u>-</u>

Bank loans and overdrafts

During the prior period the Company entered into two loan agreements. Facility A is repaid in 6 monthly installments ending in 2024 and Facility B is fully repayable in 2024. Interest is payable on both facilities at LIBOR plus a margin depending on financial performance of the Group. The financial performance is measured four times a year against agreed bank covenants.

Loans to related parties

As at the year end loans to related parties with a principal amount of £23,003,219 (2019: £23,003,219) and accrued interest of £3,095,350 (2019: £1,095,193) were outstanding. Offsetting this was unamortised arrangement fees of £670,116 (2019: £756,758).

Of these outstanding loans, £25,191,018 (2019: £23,260,415) relates to secured 8% fixed rate loan notes with a principal value of £22,203,306 (2019: £22,203,306), which mature in June 2026. The remaining £907,550 (2019: £837,997) relates to management loan notes with a principal amount of £799,913 (2019: £799,913) and interest, accruing at 8%, of £107,637 (2019: £38,084). No principal or interest was repaid during the year.

Of the total amount £111,691 (2019: £103,853) and £215,952 (2019: £200,798) was due to N A Leader and A J Phillips respectively who are directors of the Company.

18. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at amortised cost	<u>319,572</u>	<u>2,448,380</u>	<u>38,604</u>	<u>34,760</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(38,089,951)</u>	<u>(35,858,632)</u>	<u>(54,961)</u>	<u>(37,560)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals, bank loans and loans to related parties.

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****19. Deferred taxation****Group**

	2020 £
At beginning of period	7,904
Credited to profit or loss	(139,240)
At end of period	<u>(131,336)</u>

The deferred taxation balance is made up as follows:

	Group 2020 £	Group 2019 £
Fixed asset timing differences	25,188	8,857
Tax losses	(34,559)	-
Short-term timing differences	(121,965)	(953)
	<u>(131,336)</u>	<u>7,904</u>

20. Other provisions**Group**

	Other provision £
At 1 January 2020	2,927,901
Charged to profit and loss account	598,338
At 31 December 2020	<u>3,526,239</u>

The provision represents the Group's estimate of the level of administration fees received that may be refundable in future if the underlying insurance agreement is cancelled.

SAFE TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****21. Called up share capital**

	2020	2019
	£	£
Allotted, called up and fully paid		
61,657 (2019: 61,567) A Ordinary shares of £1 (2019: £1) each	61,657	61,657
2,843 (2019: 2,843) B Ordinary shares of £1 (2019: £1) each	2,843	2,843
32,360 (2019: 31,360) C Ordinary shares of £1 (2019: £1) each	32,360	31,360
	96,860	95,860

22. Reserves**Foreign exchange reserve**

The foreign exchange reserve represents translation differences arising on the consolidation of investments in overseas subsidiaries.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

23. Commitments under operating leases

At 31 December the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group
	2020	2019
	£	£
Not later than 1 year	117,113	90,951
Later than 1 year and not later than 5 years	265,897	344,947
	383,010	435,898

24. Related party transactions

During the year £121,483 (2019: £69,219) was paid to Dunedin LLP for directorship services provided. No amounts were outstanding at the Balance Sheet date.

During the year £90,000 (2019: £49,575) was charged by Walbrook Advisors Limited, with no amounts outstanding at Balance Sheet date (2019: £30,000) being outstanding at the Balance Sheet date, in relation to services provided by Chairman Mark Wood.

Details of the loans due to related parties are set out in Note 17.

25. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Dunedin Buyout Fund III L.P.